Return to ITW - Kleindienst file

ITT Memos Bare Anti-Allende Plotting

Post 3/22/72

By William Greider

U.S. interests promoted—and then apparently backed away from—plans for a right-wing military coup in Chile two years ago to prevent the election of Marxist Salvador Allende as president, according to internal memoranda of ITT, the giant international conglomerate.

The U.S. government, according to the ITT papers, first gave a "green light" to the U.S. ambassador in Santiago—"maximum authority to do all possible, short of a Dominican Republic type action, to keep Allende from taking power."

The U.S. government also promised, according to the ITT documents, to selected Chilean military leaders "full material and financial assistance by the U.S. military establishment" if civil war erupted—even though Ambassador Edward Korry characterized Chile's armed forces as "a bunch of toy soldiers."

Finally, the ITT documents state that in mid-October of 1970—a week before Allende would be elected — a right-wing ex-general named Roberto Viaux, described as "gung ho" by the ITT operatives in Chile, was advised to hold off.

"It is a fact," said an Oct. 16 message from Latin America to corporate headquarters in New York, "that word was passed to Viaux from Washington to hold back last week. It was felt that he was not adequately prepared, his timing was off, and he should 'cool it' for a later, unspecified date. Emissaries pointed out to him that, if he moved prematurely and lost, his defeat would be tantamount to a 'Bay of Pigs in Chile.'

"As part of the persuasion to delay, Viaux was given oral assurances he would receive material assistance and support from the U.S. and others for a later maneuver. It must be noted that friends of Viaux subsequently reported Viaux was inclined to be a bit skeptical about only oral assurances."

These and many other less sensational glimpses into U.S. government and corporate maneuvering in Chile are drawn from a new batch of secret documents from ITT's files, obtained by columnist Jack Anderson and made available yesterday to The Washington Post.

The copies of 26 memos, messages and staff reports hint at many questions which are left unanswered—What role did the Central Intelligence Agency play? How seriously was the military plot entertained? How deeply was ITT involved?

Yesterday, the White House, the State Department and the CIA all refused to comment.

In New York, a spokesman for ITT said Anderson's first column Tuesday on the Chilean episode, alleging a CIA-ITT plot to provoke economic chaos in the Latin American country, was "without foundation in fact."

The conglomerate insisted that ITT "has been—and contines to be—a good corporate citizen in Chile." The company's Washington office declined to answer any specific questions about the Chile memos

Former Gen. Viaux is now in jail in Chile, charged with mutiny against the government, in connection with the preelection assassination of Gen. Rene Schneider, commander of the Army. That attack was generally regarded as an unsuccessful attempt to stir right-wing resentment and possibly to touchoff a military takeover. The ITT documents mention the incident and Viaux's arrest, but do not say anything to indicate that the shooting was inspired by U.S. interests.

The International Telegraph and Telephone Corp. had good reason to be alarmed about Allende's narrow popular election victory in September of 1970. He promised a Socialist government that would expropriate major American enterprises, including the huge copper mines.

ITT, which had more than $150 million invested in Chile, has since lost its major capital, an 80 per cent interest in the Chile Telephone Company, and is negotiating with Allende's government over compensation for its loss. ITT continues to operate two Sheraton hotels and a telecommunications factory there.

Taken as a whole, the ITT messages from Latin American agents to Washington and New York suggest a picture of frantic, sometimes bitter, sometimes contradictory communications within the corporation, trying to find something that would keep the Chilean congress from certifying Allende's election. The names are most of the same ones that have figured in the ITT antitrust episode—President Harold Geneen, Washington office vice president W. R. Merriam, public relations vice president E. J. Gerrity and others.

In some memos, the ITT executives reported a plan for stimulating economic chaos—which might in turn, have provoked a military coup. But it is not clear that the corporation embraced the idea fully and acted upon it. The Washington officers attributed it to a "Mr. Broe" or a representative from "the McLean agency," references to the CIA and to William Broe, CIA director in Latin America, according to columnist Anderson.

Gerrity, for example, reported in one memorandum his skepticism: "Realistically, I do not see how we can induce others involved to follow the plan suggested. We can contact key companies for their reactions and make suggestions in the hope that they might cooperate. Information we received today from other sources indicates that there is a growing economic crisis in any case."

At another point, Gerrity related that Geneen, the board chairman and president, regarded the plan as "unworkable."

As Allende's election drew near without any "crisis" to prevent it, the ITT memos turned sour and pessimistic in tone, blaming the State Department for not taking a harder line, planning to lobby Congress and the White House for a stiffer U.S. policy.

"Allende is following Castro's advice and we seem to be letting it happen," a long background report complained. "The Communist virus will certainly not be confined to Chile."

After Allende's election, Charles Meyer, Assistant Secretary of State for Latin American Affairs, was criticized bitterly in a memo to Geneen from ITT's Hal Hendrix: "For all his great personal charm, elegance and wit on social occasions, he ranks very high as the weakest assistant secretary in recent times."

Even Ambassador Korry, who took the hard line ITT wanted, at odds with the State Department, was belittled on grounds that "he is trolling for a position with ITT when he gets bounced by State." Both men are still with the government.